

## **Advisory Board Meeting Minutes**

The Residential Ratepayers Advisory Board (“the Board”) held a meeting on October 4, 2004 in the new building of the Office of Consumer Advocate. The meeting started at 2:05 p.m.

Present for the Board were:

Ed Brueggemann, Chair  
Larry Kelly, Co-Chair  
Richard Stonner  
Otis Perry  
Ross Doer  
Claira Monier  
Jeffrey MacGivillray  
Rick Russman  
Larry Ross


Present for the Office of Consumer Advocate (“OCA”) were:

Anne Ross, Consumer Advocate  
Kenneth Traum, Assistant Consumer Advocate  
Christina Martin, Legal Assistant

The meeting began with a motion to approve the minutes of the September 13, 2004 Board Meeting. Motion seconded and approved. Larry Ross abstained from voting due to the fact that he was not present for the meeting in September.

### **Agenda:**

Ed nominated Larry Kelly to be Chairman of our Residential Ratepayer Advisory Board. The nomination was seconded and unanimously approved. Similarly Ed nominated Otis Perry to be the Vice-Chairman. The nomination was seconded and unanimously approved.

Ken explained item number three on the agenda. This is a different issue than what was explained last meeting. The issue here is whether Transition Service (TS) & Default Service (DS) should be supplied and priced the same, or whether TS should be assigned the generation output of PSNH’s owned plants and only any residual power assigned to DS. Anne also said if PSNH’s owned generation is truly below market, then TS rates under that methodology should be priced below DS. Jeff asked Rick and Larry R. if there were any provisions made regarding the transition service after he left the legislature. Rick responded that he did not have a clear recollection. Ken quoted RSA 369-B:3 and 369-B:1a to clarify some questions from Jeff. Jeff then explained his understanding of divestiture. Ken read from the RSA 369:B again to clarify. Larry R. asked if the price of TS & DS are different or do they cost the same right now. Ken explained that currently they are priced identically. Rick asked which decision would help competition in this case. Ken speculated that pricing DS separately should result in higher DS prices thus possibly spurring competition, but he doesn’t have any numbers y  go by. Larry

R. asked if there is any residential competition in PSNH's territory today? Ken replied no. Ed suggested there is no reason for transition price when there is no transition. Anne explains what our office would be leaning toward because we are here to represent the interests of residential utility consumers. Jeff is concerned that we would end up in a lawsuit if we push for different TS and DS rates. Otis asked how the OCA could make a change. Anne replied it could be part of a settlement. Otis asked if we change from TS to DS what is the affect and to whom. Anne replied it depends on how the change is made. Larry K. asked what the probability of either option is. Dick explains how he feels the situation is. Ed reiterates to the Board the desireability to think about which direction they would point OCA to. Ross D. believes it is too early to do anything the deadline isn't until 2006. Ross D. feels we need to get some research done and see where things are heading before we can make a decision. Ed suggested that we keep this on the agenda and the OCA will get some more information before the board can make a recommendation. Jeff feels we should get numbers from neighboring states. Ken explained he will get some numbers from PSNH. He will ask them questions concerning TS and DS price amounts in the Data Requests. Anne will get the market rates, what the spread is and the overall rates and competition.

Ed asked Anne for an update on the Attorney Position. Anne announced that the OCA hired Rorie Hollenberg. Anne gave the board a brief background on Rorie and informed the board of her start date, which is November 1, 2004.

Ed asked the board if anyone had any comments regarding the nominated State Representative Michael Harrington to fill the vacant Commissioner slot. Larry R. spoke highly of him.

Anne read our policy to the board regarding citizen requests for public information. A motion was made to adopt policy, seconded and approved. A motion then amended the policy to eliminate the wording of "but less than 4 pages is no charge". The amended motion was seconded and approved.

**Addendum:**

*PSNH Quality of Service in Bedford:* Anne gave an overview of the public meeting in the Bedford Quality of Service docket.

Ed asked if Christina could add dates on the addendum information so the board gets a timeline. Christina answered yes.

*EAP:* There was some discussion regarding EAP and a presentation before the Electric Restructuring Oversight Committee is scheduled for October 14 at 10 AM.

*PSNH Stranded Cost Recovery Charge:* The OCA informed the board that we signed a settlement in this docket.

*Verizon Cost of Capital:* Anne gave a brief overview on what is happening with this docket. She explained that nothing is final until the courts have ruled on the case.

Fryeburg Water Company: Ed asked if we were still waiting for Fryeburg to produce any information regarding the Engineering Study and replacing or relining a water main. Anne replied yes.

Pennichuck Water Works Rate Case: Ed asked Ken what the “credit card rate” was. Ken explained it was 11-14%. The Order did come out and the Commission did not accept our proposal and instead said it wasn’t ripe at this time.

Pennichuck Water Works Eminent Domain Case: An Order came out requesting briefs and testimony as well as providing a date for a prehearing on November 10.

Hanover Water Works: Ed asked for an overview on this docket. Anne did so to the board’s satisfaction and informed the board that we are currently working toward a settlement.

Northern Gas: Northern gas had an overrecovery coming out of last winter so the COG for this winter is going down.

KeySpan: The PUC Staff has retained a consulting firm to assist them on KeySpan’s CGA and resource planning dockets. The OCA will endeavor to work closely with Staff in both dockets.

Larry K. made a motion to express gratitude to our Chairman, Ed, for his great diligence in leading our meetings and discussions. Thank you Ed. We have all enjoyed your term.

On a similar note, Congratulations to Larry K. as our new Chairman and Otis as our new Vice-Chairman.

The next meeting will be November 1, 2004 at 2 PM.

The meeting adjourned at 3:46.